GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1538
ANSWERED ON:07.08.2006
FALL IN PRICES OF CHILLI .
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Will the Minister of AGRICULTURE be pleased to state:

(a) The total production of chilli recorded in the country particularly in Karnataka during each of the last three years and the rates of procurement, State-wise;

(b) Whether chilli prices have fallen steeply in the country;

(c) If so, the reasons therefor; and

(d) The steps taken/proposed to be taken by the Government to provide reasonable price to the farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): The State-wise production of chillies for the years 2002-03 to 2004-05 including that for Karnataka and all-India is shown in the Annexure. During the years 2003-04 to 2005-06, procurement of chillies has been done as shown in the table below:

Year	State	Procurement Price (Rs. per Qtl.)	Quantity Procured (Metric Tonnes)	
2003-04	Andhra Pradesh	2650		30,000
2004-05	Andhra Pradesh	2700 (Premium Quality)	30,000	
		2500 (Common Quality)		
2005-06	Mizoram	2800	1,250	

So far, no proposal from any State Government has been received for procurement of chillies under Market Intervention Scheme (MIS) during the current year, i.e., 2006-07.

(b)&(c): Following table shows the average month end wholesale prices of chillies for the years 2003 to 2005 for major producing States/centres:

(Rs./ Quintal)

State and Centre	Average Month end Wholesale Prices 2003	2004	2005
Karnataka			
Banglore	4310	4728	2606
Andhra Pradesh			
Guntur	4021	3383	2150
Maharashtra			
Nagpur	3545	2337	1752
Tamil Nadu			
Chennai	3879	3421	2342
West Bengal			
Kolkatta	5200	4175	3063

It may be seen from the above table that the average month end wholesale prices of chillies show a declining trend for all the States

and centres shown above. The fall in prices during 2005 seems to be due to normal variations in demand and supply of chillies, since production of chillies has fallen only marginally during 2004-05.

(d): Under the Market Intervention Scheme (MIS), the Government of India, on the request of a State/Union Territory Government undertakes procurement of agricultural and horticultural commodities, including chillies. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when there is glut in the market and the prices tend to fall below economic levels/ cost of production. Procurement under MIS is made by NAFED as Central agency and by the State designated agencies.